

# EXHIBIT C

02/06/2006 13:24 CLERK OF COURT → 912023311024

NO.324 018

FILED  
 9-26-05 3:58 PM  
 MICHAEL K. JEANES, Clerk  
 By O. CARDENAS  
 Deputy

1 TERRY GODDARD, Attorney General  
 2 Firm Bar No. 14000  
 3 Cameron H. Holmes #004983  
 4 Section Chief Counsel  
 5 Financial Remedies Section  
 6 1275 West Washington Street  
 7 Phoenix, Arizona 85007-2926  
 Telephone: 602 542-8482  
 Attorneys for the STATE  
 CRM Racketeering@azag.gov

8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
 9 **IN AND FOR THE COUNTY OF MARICOPA**

10 **IN THE MATTER OF:**

11 In the matter of:  
 12 The proceeds of Wachovia Corporation  
 13 Direct Deposit Account Numbers:  
 14 2000026084477, 2000026090429  
 15 and 2000026096326, in the name of  
 Majestic Capital Management

Case No: CV 2005-008698

(Cross Reference #SW 2005-001633)

**APPLICATION FOR ORDER OF  
 FORFEITURE**

17 The State of Arizona requests an Order of Forfeiture of the property described in  
 18 Appendix One hereto, pursuant to A.R.S. §§ 13-2314 and 13-4301 *et seq.*, because the statutory  
 19 time periods set forth in A.R.S. § 13-4311 have expired and no timely claim has been properly  
 20 filed relating to said property other than the Claim that has been stricken by the Court. The  
 21 State hereby gives notice that it has lodged the attached proposed Order of Forfeiture for entry  
 22 by the Court pursuant to Rule 58(d), Ariz. R. Civ. Proc., 16 A.R.S.

23 The property described in Appendix One was seized for forfeiture pursuant to A.R.S. §  
 24 13-4301 *et seq.* The seizure took place on the 19<sup>th</sup> of May, 2005.  
 25

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NO.324 019

1 The attached exhibits set forth facts sufficient to demonstrate probable cause to believe  
2 that the property listed in Appendix One is:

3 1) An interest in, security of, claim against or property, office, title, license or contractual  
4 right of any kind affording a source of influence over an enterprise whose affairs a person  
5 conducted or participated in the conduct of through conduct included in A.R.S. § 13-2301(D)(4).

6 2) Monies, negotiable instruments, securities, property and/or other things of value used  
7 or intended to be used in any manner or part to facilitate the commission of conduct included in  
8 A.R.S. § 13-2301(D)(4).

9 See attached Exhibits A-C (Affidavits of Special Agent Steve Adelstein).

10 The property is now within the jurisdiction of this Court.

11 All persons defined as persons known to have an interest in the property have been  
12 served with a Notice of Pending Forfeiture as follows:

13

NAME	MODE OF SERVICE	DATE
Karl E. Johnson	Certified Mail	5-27-05
Majestic Capital Mgmt	Certified Mail	5-27-05
Arizona Business Gazette	Publication	6-16-05

17

18 See attached Exhibit D, Proof of Service.

19 No proper timely claim has been filed regarding the property listed in Appendix One,  
20 other than the Claim that has been stricken by the Court. This purported claim was filed on June  
21 23, 2005. It is insufficient to establish standing in this matter because it was stricken by the  
22 Court on September 21, 2005.

23 Therefore, under A.R.S. § 13-4314, the State requests that this Court enter the Order of  
24 Forfeiture lodged herewith.

25  
26  
Application for Order of Forfeiture- sect # 2000026084477


02/06/2006 13:24 CLERK OF COURT → 912023311024

NO. 324 020

1 RESPECTFULLY SUBMITTED this 26th day of September, 2005.

2 TERRY GODDARD

3 ATTORNEY GENERAL

4  
5   
6 Cameron H. Holmes  
7 Assistant Attorney General  
8 Attorneys for the STATE

9 ORIGINAL filed this  
10 26<sup>th</sup> day of September, 2005 with:

11 Clerk of the Superior Court  
12 Maricopa County

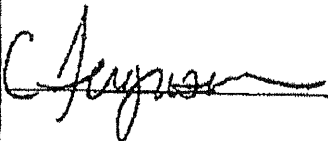
13 COPY of the foregoing hand-delivered  
14 this 26<sup>th</sup> day of September, 2005, to:

15 The Honorable Colin F. Campbell  
16 Maricopa County Superior Court  
17 125 W. Washington, OCH-5  
18 Phoenix, AZ

19 COPY of the foregoing and the accompanying Order mailed this  
20 26<sup>th</sup> day of September, 2005 to:

21 BAYOU FUND LLC  
22 40 Signal Road  
23 Stamford, CT 06902

24 KARL E. JOHNSON  
25 236 River Road  
26 Flemington, NJ 08822



Application for Order of Forfeiture- acct # 2000026084477

3

# EXHIBIT D

FILED  
9/29/05  
MICHAEL K. JEANES, Clerk  
By *[Signature]*  
Deputy

1 TERRY GODDARD  
2 Attorney General  
3 Firm Bar No. 14000  
4  
5 Cameron H. Holmes  
6 State Bar No. #004983  
7 Section Chief Counsel  
8 Financial Remedies Section  
9 1275 West Washington Street  
10 Phoenix, Arizona 85007-2926  
11 Telephone: 602-542-8482  
12 Fax: 602-542-5997  
13 Attorneys for the STATE  
14 CRMRacketeering@azag.gov

10 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
11 IN AND FOR THE COUNTY OF MARICOPA

12 IN THE MATTER OF:

13 The Proceeds of Wachovia Corporation  
14 Direct Deposit Account Numbers:  
15 2000026084477, 2000026090429 and  
16 2000026096326 in the name of Majestic  
Capital Management

Case No: CV 2005-008698

(Cross Referenced SW 2005-001633)

JUDGMENT:  
ORDER OF FORFEITURE

17 The State of Arizona having seized the property listed in Appendix One, attached hereto  
18 and incorporated herein, for forfeiture pursuant to A.R.S. § 13-4305 and Notice of Pending  
19 Forfeiture having been duly made pursuant to A.R.S. § 13-4307, the Court makes the following  
20 Findings of Fact and Conclusions of Law and enters the following Order.

21 FINDINGS OF FACT AND CONCLUSIONS OF LAW

22 The property described in Appendix One is within the jurisdiction of the Superior Court.

23 All persons known to have an interest in the property have been timely served with  
24 Notice of Pending Forfeiture, in compliance with A.R.S. § 13-4307.  
25

1 The State has presented evidence and information, by Application for Order of Forfeiture  
2 and accompanying exhibits demonstrating probable cause to find and conclude that the property  
3 listed in Appendix One was:

4 1) An interest in, security of, claim against or property, office, title, license or  
5 contractual right of any kind affording a source of influence over an enterprise whose affairs a  
6 person conducted or participated in the conduct of through conduct included in A.R.S. § 13-  
7 2301(D)(4);

8 2) Monies, negotiable instruments, securities, property and/or other things of value  
9 used or intended to be used in any manner or part to facilitate the commission of an offense  
10 included in the definition of racketeering in A.R.S. § 13-2301(D)(4).

11 The above showing of probable cause satisfies the Court that forfeiture pursuant to  
12 A.R.S. §§ 13-2314 and 13-4301, *et seq.*, is authorized as to the property.

13 Probable cause having been shown to the satisfaction of the Court, the time for making  
14 claims having expired, the Claim filed on June 23, 2005 having been stricken by this Court, and  
15 no claimant having made timely proof as required by A.R.S. § 13-4304, the Court is obliged by  
16 A.R.S. § 13-4314 to order the property described in Appendix One forfeited to the State of  
17 Arizona.

18 **ORDER**

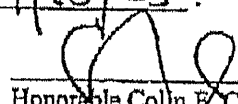
19 All right, title and interest in the property described in Appendix One hereto is forfeited  
20 to the State of Arizona, Office of the Attorney General. Pursuant to A.R.S. §§ 13-4314(B) and  
21 (D) the State has clear title to the property and title to the property and its proceeds vested in the  
22 State on the commission of the act or omission giving rise to forfeiture. The Attorney for the  
23 State may transfer good and sufficient title to any subsequent purchaser or transferee, and the  
24 title shall be recognized by all courts, by this State and by all departments and agencies of this  
25 state and any political subdivision. Title shall pass free of any liens or encumbrances, including  
26 racketeering liens filed pursuant to A.R.S. § 13-2314.02.

1 The Arizona State Treasurer is directed to transmit all monies described in Appendix  
2 One, together with all interest accrued thereon since its deposit with the Treasurer, to the  
3 Attorney General's Anti-Racketeering Revolving Fund for allocation in conformance with  
4 A.R.S. § 13-4315, except that in the event that the State of Arizona transfers the property or the  
5 action they shall be transferred as directed by the State pursuant to its authority under A.R.S. §  
6 13-4306 (A) .

7 The sale, encumbrance or other disposition of property ordered forfeited by this order  
8 shall not occur prior to the expiration of fifteen (15) days after this order is executed in order  
9 that an aggrieved claimant may apply for a stay on appeal by filing a supersedeas bond with the  
10 Superior Court pursuant to Rule 7, Arizona Rules of Civil Appellate Procedure. Failure to file a  
11 supersedeas bond in full compliance with Rule 7 will permit disposition of the property,  
12 resulting in loss of judicial jurisdiction and an inability to pursue any further action, including an  
13 appeal.

14 Pursuant to Rule 54(b) of the Rules of Civil Procedure, the Court has determined that  
15 there is no just reason for delay and it is therefore directed that judgment as provided herein  
16 shall be entered forthwith.

17 DONE IN OPEN COURT this day of 9/28/05.

18  
19   
20 Honorable Colin P. Campbell  
21 Judge of the Superior Court  
22  
23  
24  
25  
26



APPENDIX ONE

001) the proceeds of Wachovia Corporation Direct Deposit Account Number 2000026084477, together with all interest specifically attributable to such proceeds.

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# EXHIBIT E

MICHAEL K. JEANES, CLERK  
BY *[Signature]* DEP  
FILED

2005 SEP -6 AM 9: 22

**THE CAVANAGH LAW FIRM**  
A Professional Association

1850 NORTH CENTRAL AVENUE  
SUITE 2400  
PHOENIX, ARIZONA 85004-4527  
(602) 322-4000

Jeffrey B. Smith, SBN #002834  
Scott A. Rose, SBN #005940  
Patrick G. Rowe, SBN #018591  
Arizona Attorneys for  
Claimant Bayou Fund, L.L.C.

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF MARICOPA

IN THE MATTER OF:

Case No. CV 2005-008698

The proceeds of Wachovia Corporation  
Direct Deposit Account Numbers:  
2000026084477, 2000026090429  
2000026030432 and 2000026096326  
in the name of Majestic Capital  
Management

~~[Proposed]~~ ORDER GRANTING  
MOTION TO WITHDRAW AS  
COUNSEL OF RECORD FOR  
CLAIMANT BAYOU FUND, L.L.C.

Upon the Motion of The Cavanagh Law Firm to Withdraw as Counsel of Record  
for Bayou Fund, L.L.C.,;

IT IS HEREBY ORDERED allowing the withdrawal of the Cavanagh Law Firm  
from representation of Bayou Fund L.L.C. upon good cause demonstrated in the Motion  
of The Cavanagh Law Firm to withdraw.

DONE IN OPEN COURT this 15 day of September, 2005.

By *[Signature]*  
The Honorable Colin F. Campbell  
Superior Court of Arizona, Maricopa County

# EXHIBIT F

SUPERIOR COURT OF ARIZONA  
MARICOPA COUNTY

CV 2005-008698

02/17/2006

HONORABLE PAUL J. MCMURDIE

CLERK OF THE COURT  
C.I. Miller  
Deputy

IN RE THE MATTER OF

FILED: 02/24/2006

ARIZONA STATE

CAMERON H HOLMES

KEITH BEAUCHAMP

**HEARING MINUTE ENTRY**

10:42 a.m. This is the time set for hearing oral argument on the State's Motions to Strike Claim of Majestic Capital Management and Bayou Fund (With Leave to Amend) and to Enlarge Time to File Complaint. The State is represented by Assistant Attorney General Cameron Holmes. Defendants are neither present nor represented by counsel.

Proceedings are recorded on CD (FTR) in lieu of a court reporter.

It is now 10:42 a.m. and this hearing was set for 10:30 a.m. The court has received neither written communication, telephonic request, nor returned mail from Defendants regarding their appearance today. No response to the State's motions have been filed or received by the court as well. Good cause appearing,

**IT IS ORDERED** granting the State's Motions to Strike Claims of Majestic Capital Management and Bayou Fund and has thirty (30) days from today (by March 17, 2006) to amend their Complaint.

10:44 a.m. Hearing concludes.